Company Registration No. 200715892R

IIFL (Asia) Pte. Ltd.

Annual Financial Statements
31 March 2016

Building a better
working world

IIFL (Asia) Pte. Ltd.

General information

Directors

Prabodh Kumar Agrawal
Amit Nitin Shah

Company Secretary

Lim Ka Bee	(Resigned on 3 August 2015)
Lynn Wan Tiew Leng	(Appointed on 3 August 2015)

Registered Office

6 Shenton Way
#18-08B, OUE Downtown 2
Singapore 068809

Auditor

Ernst & Young LLP

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Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of IIFL (Asia) Pte. Ltd. (the "Company") for the financial year ended 31 March 2016.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Prabodh Kumar Agrawal
Amit Nitin Shah

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The directors of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of directors	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the ultimate holding company (IIFL Holdings Limited)				
Prabodh Kumar Agrawal	1,027,924	2,368,084	–	–
Ordinary shares of the immediate holding company (IIFL Wealth Management Limited)				
Amit Nitin Shah	2,368,421	1,818,421	–	–
Options to subscribe for ordinary shares of the immediate holding company (IIFL Wealth Management Limited)				
Amit Nitin Shah	–	900,000	–	–
Options to subscribe for ordinary shares of the ultimate holding company (IIFL Holdings Limited)				
Prabodh Kumar Agrawal	2,710,000	1,210,000	–	–

There was no change in any of the above-mentioned interests between the end of the financial year and 28 April 2016.

Except as disclosed in this statement, since the end of the previous financial year, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in this statement, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the directors, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

Prabodh Kumar Agrawal
Director

Amit Nitin Shah
Director

Singapore
28 April 2016

Independent auditor's report to the member of IIFL (Asia) Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of IIFL (Asia) Pte. Ltd. (the "Company") set out on pages 6 to 22, which comprise the balance sheet as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

IIFL (Asia) Pte. Ltd.

Independent auditor's report
For the financial year ended 31 March 2016

Independent auditor's report to the member of IIFL (Asia) Pte. Ltd.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

28 April 2016

Statement of comprehensive income
For the financial year ended 31 March 2016

	Notes	2016 S$	2015 S$
Income			
Interest income		60	2,672
Total income		60	2,672
Expenses			
Other operating expenses	3	(18,918)	(66,471)
Total operating expenses		(18,918)	(66,471)
Gain/(loss) on investments and foreign currency transactions			
Net realised loss on investments		–	(21,922)
Net foreign exchange (loss)/gain		(2,280)	50,580
		(2,280)	28,658
Loss before taxation		(21,138)	(35,141)
Taxation	4	(348,396)	(348,396)
Loss for the year		(369,534)	(383,537)
Other comprehensive income		–	–
Total comprehensive income for the year		(369,534)	(383,537)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Balance sheet
As at 31 March 2016

	Notes	2016 S$	2015 S$
Non-current assets			
Investments in subsidiaries	5	6,330,000	6,330,000
Deferred tax assets	4	–	348,396
		6,330,000	6,678,396
Current assets			
Other receivables	7	8,556	8,556
Cash and cash equivalents	6	128,848	147,091
		137,404	155,647
Current liabilities			
Other payables	8	13,795	10,900
		13,795	10,900
Net current assets		123,609	144,747
Net assets		6,453,609	6,823,143
Equity			
Share capital	9	14,000,000	14,000,000
Accumulated losses		(7,546,391)	(7,176,857)
Total equity		6,453,609	6,823,143

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL (Asia) Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2016

	Share capital S$	Accumulated losses S$	Total equity S$
At 1 April 2014	25,000,000	(6,793,320)	18,206,680
Reduction of share capital	(11,000,000)	–	(11,000,000)
Loss for the year	–	(383,537)	(383,537)
Other comprehensive income	–	–	–
At 31 March 2015 and at 1 April 2015	14,000,000	(7,176,857)	6,823,143
Loss for the year	–	(369,534)	(369,534)
Other comprehensive income	–	–	–
At 31 March 2016	14,000,000	(7,546,391)	6,453,609

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Cash flow statement
For the financial year ended 31 March 2016

	2016 S$	2015 S$
Cash flows from operating activities		
Loss before taxation	(21,138)	(35,141)
Adjustments for:		
Net realised loss on investments	–	21,922
Interest income	(60)	(2,672)
Operating cash flows before changes in working capital	(21,198)	(15,891)
Decrease in amounts due to subsidiaries	–	(8,351,989)
Increase in other receivables	–	(461)
Increase in other payables	2,895	2,900
Cash flows from operations	(18,303)	(8,365,441)
Interest received	60	2,672
Net cash flows used in operating activities	(18,243)	(8,362,769)
Cash flows from investing activities		
Proceeds from disposal of investments in subsidiaries	–	10,000,000
Purchase of investments	–	(1,193,675)
Proceeds from sale of investments	–	1,171,753
Net cash flows generated from investing activities	–	9,978,078
Cash flows from financing activity		
Reduction of share capital	–	(11,000,000)
Net cash flows used in financing activity	–	(11,000,000)
Net decrease in cash and cash equivalents	(18,243)	(9,384,691)
Cash and cash equivalents at beginning of year	147,091	9,531,782
Cash and cash equivalents at end of year	128,848	147,091

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. Corporate information

IIFL (Asia) Pte. Ltd. (the "Company") is a private limited company incorporated in the Republic of Singapore whose registered office is at 6 Shenton Way, #18-08B OUE Downtown 2, Singapore 068809. The Company was incorporated on 29 August 2007. IIFL Wealth Management Limited (IIFLW), a public limited company incorporated in India, acquired the entire share of the Company from IIFL Holdings Limited (formerly known as India Infoline Limited) on 30 December 2014. IIFLW is a subsidiary of IIFL Holdings Limited and accordingly, IIFL Holdings Limited continues to be the ultimate holding company.

The principal activity of the Company is investment holding.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S$").

Principles of consolidation

No consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") have been prepared as the Company is a partially-owned subsidiary of the ultimate holding company.

The Company's ultimate holding company prepares consolidated financial statements which could be obtained at IIFL Centre, 9th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, West Mumbai, 400013, India.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Descriptions	**Effective for annual periods beginning on or after**
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 *Significant accounting judgements and estimates*

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of financial assets

The Company follows the guidance of FRS 36 and FRS 39 in determining when a financial asset is other-than-temporarily impaired and this requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial assets, including factors such as industry performance, changes in technology and operational and financing cash flow.

(b) Taxation

Significant judgement is involved in determining the provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the provision for taxation and deferred tax in the financial year in which such determination is made.

2. Summary of significant accounting policies (cont'd)

2.5 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Interest income

Interest income is recognised using the effective interest method.

2.6 *Investments in subsidiaries*

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 *Functional and foreign currencies*

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be SGD. Major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency are recorded on the initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 *Impairment of non-financial assets*

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written-down to its recoverable amount.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in profit or loss, unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

2.9 *Financial assets*

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial assets (cont'd)*

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(b) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process. The Company classifies cash and cash equivalents and other receivables as loans and receivables.

2.10 *Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the differences between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of financial assets (cont'd)*

To determine whether there is objective evidence that an impairment loss on financial assets had been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

2.12 *Provisions*

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increases in the provisions due to the passage of time are recognised as a finance cost.

2.13 *Financial liabilities*

Financial liabilities include other payables. Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities, gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

2. Summary of significant accounting policies (cont'd)

2.14 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the country where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (cont'd)

2.15 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.16 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2016 S$	2015 S$
Professional fees	15,518	21,620
Bank charges	50	16,846
Stamp duty fee	–	14,386
Company secretary fees	2,919	13,289
Others	431	330
	18,918	66,471

4. Taxation

Major components of income tax expense

	2016 S$	2015 S$
Current income tax:		
- Current income taxation	–	–
Deferred tax:		
- Over-recognition of deferred tax in respect of previous years	348,396	348,396
Income tax expense recognised in profit or loss	348,396	348,396

The reconciliation between income tax expense and the product of accounting loss multiplied by the applicable statutory tax rate for the financial years ended 31 March were as follows:

	2016 S$	2015 S$
Loss before taxation	(21,138)	(35,141)
Tax at statutory tax rate of 17% (2015: 17%)	(3,593)	(5,974)
Adjustments:		
- Non-taxable income	(10)	(454)
- Deferred tax assets not recognised	3,603	6,428
- Over-recognition of deferred tax assets	(348,396)	(348,396)
Income tax expense recognised in profit or loss	(348,396)	(348,396)

4. Taxation (cont'd)

Major components of income tax expense (cont'd)

Deferred tax assets as at 31 March relates to the following:

	2016 S$	2015 S$
Unutilised tax losses	–	348,396

5. Investments in subsidiaries

	2016 S$	2015 S$
Unquoted equity shares, at cost	6,330,000	6,330,000

The details of the subsidiaries were as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Cost of investments		Effective equity interest held by the Company	
			2016 S$	2015 S$	2016 %	2015 %
IIFL Securities Pte Ltd [1]	Investment advisory services	Republic of Singapore	1,030,000	1,030,000	100	100
IIFL Capital Pte Ltd[1]	Investment fund management and advisory services	Republic of Singapore	5,300,000	5,300,000	100	100

1 Audited by Ernst & Young LLP, Singapore.

6. Cash and cash equivalents

Cash and cash equivalents were denominated in the following currencies:

	2016 S$	2015 S$
Singapore dollars	7,640	23,664
United States dollars	121,208	123,427
	128,848	147,091

Cash at bank is placed with reputable financial institutions and earns interest at floating rates based on daily bank deposit rates.

7. Other receivables

	2016 S$	2015 S$
Deposits	540	540
Others	8,016	8,016
	8,556	8,556

8. Other payables

	2016 S$	2015 S$
Accrued expenses	13,795	10,900

9. Share capital

	2016		2015	
	No. of shares	S$	No. of shares	S$
Issued and fully paid:				
At beginning and end of year	14,000,000	14,000,000	25,000,000	25,000,000
Reduction of share capital	–	–	(11,000,000)	(11,000,000)
At end of year	14,000,000	14,000,000	14,000,000	14,000,000

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

10. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations. The key financial risks include credit risk, foreign currency risk, liquidity risk, equity price risk and interest rate risk. The management reviews and agrees policies and procedures for the management of these risks. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash at bank and its investment in subsidiaries.

The Company does not have any significant credit exposure to any single counterparty or any company or counterparties having similar characteristics. Cash is placed with a reputable international bank.

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. No financial asset of the Company is either past due or impaired.

(b) *Foreign currency risk*

Foreign currency risk is the risk that arises from the change in price of one currency against another because of changes in foreign currency exchange rates.

The Company is exposed to movements in the foreign currency exchange rates other than in its functional currency, the S$. The Company reviews its exposure to foreign currency risk on a regular basis.

As at 31 March 2016, the Company's cash and cash equivalents and other receivables are exposed to approximately S$129,224 (2015: S$131,443) of United States dollars ("USD" or "US$").

The following table demonstrates the sensitivity of the Company's equity to changes in the value of other receivables resulting from a reasonable possible change in USD against SGD, with all other variables held constant:

	2016	**2015**
	%	%
USD - Strengthened by 5% (2015: 5%)	6,461	6,572
USD - Weakened by 5% (2015: 5%)	(6,461)	(6,572)

10. Financial risk management objectives and policies (cont'd)

(c) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding. The Company's financial assets and liabilities are short-term in nature which mitigates the risk of default on financial obligations.

Maturity analysis of financial liabilities

Financial liabilities of the Company comprise other payables. Other payables have no contractual maturity but are typically settled within 30 days' terms.

(d) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in interest rates relates primarily to its cash and cash equivalents. The management considers that the impact of changes in interest rates on its cash and cash equivalents is minimal.

(e) ***Fair values***

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The directors have determined that the fair value of financial assets and liabilities of the Company approximates their carrying values due to their short term nature.

11. Capital management

The Company maintains a capital base to cover risk inherent in the business. The primary objectives of the Company's capital management are to ensure that it maintains sufficient capital to safeguard its ability to continue as a going concern.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Working capital needs of subsidiaries are also taken into consideration in the Company's capital management.

12. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 28 April 2016.